Fact Sheet

Module 8: Child Tax Credit and Additional Child Tax Credit

The child tax credit allows taxpayers to claim a tax credit of up to \$1,000 per qualifying child under the age of 17. This reduces their tax liability, potentially to \$0. In order to claim the credit, the taxpayer and child must meet several requirements.

When a taxpayer's child tax credit is more than their tax liability, they may be eligible to claim an additional child tax credit as well as the child tax credit. The additional child tax credit is also a tax credit of up to \$1,000 per qualifying child. This further reduces their tax liability and can result in a refund. Taxpayers must meet additional requirements to claim this credit.

Form 1040A (2014)						Page 2
Tax, credits,	22	Enter the amount from line 21 (a	djusted gross inco	me).		22	
and	23a	Check [You were born before J	anuary 2, 1950, E	Blind Total box	ces		
payments		if: { Spouse was born before					
payments	b	If you are married filing separate					
Standard		deductions, check here	, , ,		▶ 23b		
Deduction for—	24	Enter your standard deduction			_	24	
• People who	25	Subtract line 24 from line 22. If I		n line 22, enter	-0	25	
check any box on line	26	Exemptions. Multiply \$3,950 by				26	_
23a or 23b or		27 Subtract line 26 from line 25. If line 26 is more than line 25, enter -0					
who can be claimed as a	all De						
dependent,	28	Tax, including any alternative minim	num tav (see instruct	ions). 28			
see instructions.	29	Excess advance premium tax cr	,				
All others:	23	Form 8962.	edit repayment. A	29			
Single or Married filing	30	Add lines 28 and 29.	- 	25		30	
separately,	31		para aypanaga Att	ooh		30	
\$6,200	31	Credit for child and dependent	care expenses. All				
Married filing jointly or	20	Form 2441.	blad Attack	31			
Qualifying widow(er),	32	Credit for the elderly or the disa	oled. Attach	00			
\$12,400		Schedule R.	00 11 10	32			
Head of household,	33	Education credits from Form 88		33			
\$9,100	34	Retirement savings contributions					
	35	Child tax credit. Attach Schedul	•				
	36	Add lines 31 through 35. These				36	
	37	Subtract line 36 from line 30. If I				37	
	38	Health care: individual responsibi		s). Full-year co	overage	38	
	39	Add line 37 and line 38. This is y				39	
	40	Federal income tax withheld from	n Forms W-2 and 1	099. 40			
	41	2014 estimated tax payments a	nd amount applied				
a qualifying		from 2013 return.		41			
child, attach Schedule	42a	Earned income credit (EIC).		42a			
EIC.	b	Nontaxable combat pay election	. 42b			<u> </u>	
	43	Additional child tax credit. Attac	h Schedule 8812.	43			
	44	American opportunity credit fror	n Form 8863, line	8. 44			
	45	Net premium tax credit. Attach I	orm 8962.	45			
	46	Add lines 40, 41, 42a, 43, 44, ar	nd 45. These are yo	our total paym	ents.	46	
Refund	47	If line 46 is more than line 39, su	ıbtract line 39 from	line 46.			
		This is the amount you overpaid. 47					
Direct deposit?	48a	Amount of line 47 you want refunde	ed to you. If Form 88	88 is attached, c	heck here ►	48a	
	. h	Routing	No Tymes F	Chapting [Courings		
See instructions	▶ þ	number	▶ c Type: _	Checking	Savings		
and fill in		Account					
48b, 48c, and 48d or	▶ d	number					
Form 8888.	49	Amount of line 47 you want app	lied to your				
		2015 estimated tax.	-	49			
Amount	50	Amount you owe. Subtract line	46 from line 39. Fo	or details on he	ow to pay,		\neg
you owe		see instructions.			· · · · •	50	
	51	Estimated tax penalty (see instru	uctions).	51			
Third party	D	you want to allow another person to disc	cuss this return with the	IRS (see instructi	ons)? Yes. (Complete the following	na. No
Third party				(000			<u> </u>
designee		Designee's name ► Phone no. ► Personal identification number (PIN) ►					
_		nder penalties of perjury, I declare that I have ex					
Sign		and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer than the taxpayer) is based on all information of which the preparer has any knowledge.					
here	Your signature Date Your occupation Daytime phone number						•
Joint return?							
See instructions. Keep a copy		Spouse's signature. If a joint return, both must sign. Date Spouse's occupation If the IRS sent you an Identity Protection					
for your records.				,		PIN, enter it	.,
	,	int/type preparer's name	Preparer's signature	Ir)ate	here (see inst.)	
Paid	11		. oparor o signature	"	Cr	neck ▶ □ If	
preparer	E:-	self-employed Firm's name ▶ Firm's EIN ▶					
use only Firm's address ►						none no.	
•	FII	111 5 addit535 F			PI	IOITE ITO.	

Child Tax Credit Requirements and Limits

Child Requirements

To qualify, the child must:

- be under age 17 at the end of the tax year
- be a citizen, national, or resident of the United States
- not have provided over half of his/her own support for the tax year
- lived with the taxpayer for more than half of the tax year
- be the taxpayer's:
 - child or a descendant of a child (for example, a grandchild)
 - stepchild or adopted child or a descendent of one
 - brother, sister, stepbrother, stepsister, or a descendent of one
 - eligible foster child

Taxpayer Requirements

Taxpayers must provide the name and social security number or the Individual Taxpayer Identification Number (ITIN) of each qualifying child on their tax returns.

Credit Limits

The credit depends on the taxpayer's:

- tax liability: the credit cannot be more than the taxpayer's tax liability
- modified adjusted gross income and filing status: the credit may be reduced if the taxpayer's modified adjusted gross income is above a certain amount for their filing status.

Additional Child Tax Credit Requirements and Limits

Child Requirements

To qualify for the additional child tax credit, the child must qualify for the child tax credit.

Taxpayer Requirements

To qualify for the additional child tax credit, taxpayers must:

- meet the requirements previously discussed for the child tax credit
- have a tax liability that is less than their allowable child tax credit
- earn more than \$3,000 during the tax year
- Use Form 8812 to determine the Additional Child Tax Credit and attach it to your tax return

Credit Limits

The credit is whichever is lower:

- 15% of the taxpayer's taxable earned income that is over \$3,000, or
- The amount of unused child tax credit (caused when tax liability is less than allowed credit)